



Real Estate Strategic Plan – Policy Review

Presented to Investment Policy
Subcommittee - June 16, 2008

[Current Real Estate Policy]

- Currently, 25 policies developed over time direct the program.
- Policies include extensive procedural language in addition to key Board directives.
- Revision of the Real Estate Policy, an implementation item of the September 2007, Investment Committee Agenda Item 5a, Real Estate Strategic Plan.

[Proposed Revised Policy]

- Single overarching Real Estate Equity Policy containing all existing Board directives.
- Operational and procedural language moved to Staff Internal Procedure Manual.
- Conform to new Investment Office template.
- Maintain Responsible Contractor, Accounting, and Appraisal Valuations policies.
- Incorporate new Strategic Plan.

[Proposed Revised Policy]

- Emphasis On...

- Investment Structures
- Commitment Process
- Permitted Investments
- Staff, Partner, and Consultant Responsibilities
- Leverage
- Land
- Joint Ventures

[Policy Review Project]

- Organize and streamline Investment Policy.
- Provide a consistent Investment Policy framework.
- Ensure that policies will facilitate the on-going CalPERS compliance program.

[Proposed Timeline]

- Summer/Fall 2008: Drafts of policy developed, incorporating comments from PCA Real Estate Advisors, Legal and Compliance Offices, and Wilshire Associates.
- Fall/Winter 2008: Drafts of policy presented to Policy Subcommittee with multiple readings scheduled.
- Early 2009: Final draft presented to Policy Subcommittee then Investment Committee.